

Exhibit A

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, personally appeared Joseph Velador and after being duly sworn, stated upon oath that the foregoing facts are true and correct to the best of her knowledge and belief.

“My name is Joseph Velador. I am over the age of 18, am of sound mind, and am capable of making this affidavit. I am the Founder of Hemp Industry Leaders of Texas (hereinafter referred to as H.I.L.T.), a grassroots organization created by and for Texas hemp business owners. H.I.L.T. is a collective of hemp industry professionals, including farmers, manufacturers, distributors, and retailers, all of whom operate under the strict compliance of Texas and federal hemp laws as established by the 2018 Farm Bill.

I submit this affidavit in support of H.I.L.T.'s intent to join the lawsuit against the City of Allen, Texas and the City of Allen Police Department in relation to the unlawful raid, seizure of products, and arrest of Sabhie Khan, a member of H.I.L.T. and an independent hemp retailer. These actions have caused significant harm to both Mr. Khan individually, and to H.I.L.T. as a whole.

City of Allen Involvement:

On June 28, 2024, H.I.L.T. members with retail locations in Allen, Tx received a letter from the City of Allen Director of Community Development regarding a proposed amendment to the Allen Land Development Code, adding a definition for “CBD Shop” to the code and providing regulations for separation, development, and operational standards for the newly defined CBD Shops (Exhibit 1). A public hearing on that

proposal was to be held on July 16, 2024. The day before the hearing, the Allen retailers and their attorney, sent a letter to the Allen City Attorney pointing out that the proposed amendment to the Land Development Code would be in violation of Sec. 443.003 of the Texas Health and Safety Code which prohibits local regulation of consumable hemp products (Exhibit 2). That same day, their attorney received an email from Kaleb Smith stating that the item had been pulled from the meeting agenda for that evening and it would be reconsidered at a later date. On August 16, 2024, the retailers received a second letter from the City of Allen Director of Community Development regarding a new proposed amendment to the Allen Land Development Code (Exhibit 3). This time, adding a definition for “Smoke Shop” and providing regulations for separation, development, and operational standards for the newly defined “Smoke Shops”. A public hearing on the amendment was scheduled for September 3, 2024.

DEA Involvement:

On June 25, 2024, several members in Allen were served a subpoena from the DEA for records about every aspect of their businesses. After receiving this Subpoena, the Members retained counsel and collectively filed a Motion to Quash and/or Limit DEA Administrative Subpoena on July 22, 2024. On July 24, 2024, Judge Mazzant of the Texas Eastern District Court issued an order staying the DEA administrative subpoena. The DEA never filed a response.

City of Allen Police Department Involvement:

H.I.L.T. members in the City of Allen received their first correspondence from the Allen Police Department on May 2, 2024 (Exhibit 4). The letter lists several specific

products the police suspected of containing illegal amounts of THC, but after reviewing the letter our members in Allen found that none of them carried any of the products mentioned in the letter. On August 27, 2024, the Allen Police Department executed a series of search warrants on several H.I.L.T. members' businesses in Allen making multiple arrests during the execution of the warrants charging members with Manufacture/Delivery of a Controlled Substance. Multiple individuals who were arrested on August 27 were held without bond for two days until August 29, when they were finally able to post bonds and be released. The Allen Police Department sent the retailers another letter on September 18 listing the same suspected illicit products as the letter sent on May 2 (Exhibit 5).

During the execution of the August 27th search warrants, multiple H.I.L.T. members who were present noticed that some of the officers participating in the raids were not wearing the same clothing and gear as the rest. These officers wore plain clothes under their body armor with no markings, badges, etc. to indicate they were law enforcement or what agency they belonged to, drove unmarked vehicles, and wore masks over their faces.

The wrongful actions of the City of Allen Police Department have cast a negative public perception on the entire hemp industry, and by extension, H.I.L.T. Many members of the public now associate hemp businesses, including those within our network, with illegal activity despite our members' strict adherence to the law. This stigma has already caused substantial harm to H.I.L.T. and its members, undermining the significant efforts and investments we have made to educate the public and authorities about the legality and benefits of hemp production and sales.

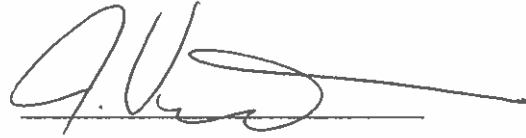
The confiscation of Mr. Khan's inventory, which consists solely of hemp products compliant with the 2018 Farm Bill, has not only caused a financial loss to that individual H.I.L.T. member, but has also discouraged other hemp businesses from participating in H.I.L.T.'s events and initiatives. Multiple members have reported a decrease in sales as a result of the increased scrutiny and fear of similar police actions, further exacerbating the negative financial impact on the hemp industry at large.

The City of Allen and the Allen Police Department have created a climate of fear among H.I.L.T. members, discouraging them from participating in normal business activities and interactions with law enforcement. Many members have expressed concerns that they too may be targeted by law enforcement despite operating within the confines of the law. This directly hampers H.I.L.T.'s ability to promote and support the hemp industry in Texas, undermining our core mission.

The actions of the Allen Police Department have deterred potential new members from joining H.I.L.T. We have had several inquiries canceled from individuals who, before the raid, were interested in becoming members and engaging in lawful hemp commerce. This diminishes our ability to grow and effectively represent the broader hemp community in Texas.

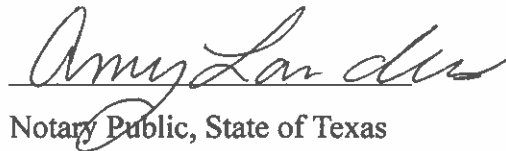
The actions of the City of Allen Police Department and the City of Allen have caused substantial harm to H.I.L.T., its members, and its mission. We ask the court to recognize the harm done not only to Mr. Khan but also to the broader hemp industry as represented by H.I.L.T., and that justice be served to prevent further damage to this lawful sector of commerce."

FURTHER AFFIANT SAYETH NOT

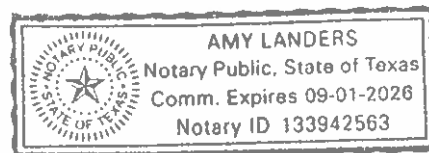


Joseph Velador

SWORN TO AND SUBSCRIBED before me on this the 14TH day of October, 2024.

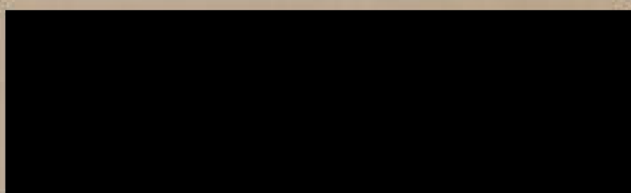


Notary Public, State of Texas





June 28, 2024



RE: Allen Land Development Code – Proposed Amendment (ALDCA-000003-24)

To Whom It May Concern:

THE CITY OF ALLEN IS HOLDING A HEARING THAT WILL DETERMINE WHETHER YOU MAY LOSE THE RIGHT TO CONTINUE USING YOUR PROPERTY FOR ITS CURRENT USE. PLEASE READ THIS NOTICE CAREFULLY.

The Allen Planning & Zoning Commission will conduct a Public Hearing on July 16, 2024, at 7:00 p.m. in the Allen City Hall Council Chambers, 305 Century Parkway, Allen, Texas, to consider an ALDC Amendment described in this letter. The Planning & Zoning Commission forwards its recommendations for any Allen Land Development Code amendment to the City Council after conducting a public hearing. The City Council will conduct a Public Hearing on August 13, 2024, at 5:30 p.m. in the Allen City Hall Council Chambers, 305 Century Parkway, Allen, Texas, to consider an ALDC Amendment described in this letter.

The agendas for the above Planning and Zoning Commission and City Council meetings will be posted at <https://www.cityofallen.org/2303/City-Meeting-Agendas> on Friday, July 12, 2024 at 5:00 p.m., and Friday, August 9, 2024, at 5:00 p.m., respectively.

Summary of Proposed Amendment: The proposed amendment would provide a definition for a new “CBD Shop” use; and would further provide regulations for separation, development, and operational standards for CBD Shops in order to mitigate the negative impacts associated with the consumption of these products necessary to serve the public health, safety, and welfare of residents and businesses within the City.

Please do not hesitate to contact the Community Development Department at 214.509.4160 if you have additional questions or need further clarification. Thank you.

Regards,

A handwritten signature in blue ink that reads "Marc Kurbansade".

Marc Kurbansade, AICP
Director of Community Development

305 CENTURY PARKWAY • ALLEN, TEXAS 75013-8042 • 214.509.4100
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WALTER PRENTICE
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Licensed in Texas Only
Of Counsel

July 15, 2024

Mr. Peter G. Smith
Allen City Attorney
305 Century Parkway
Allen, TX 75013

Re: City Council Proposal Concerning Rezoning of Hemp Businesses

Mr. Smith,

I am writing to you as it's been brought to my attention that the Allen City Council is considering rezoning parts of Allen for the purpose of prohibiting hemp-related businesses from establishing stores or shops within certain areas of Allen.

My firm represents a large group of shop owners who not only operate these types of businesses in the Allen city limits but have done so legally for years. It is for this reason that I am contacting you now.

I would respectfully draw your attention to Section 443.003 of the Texas Health & Safety Code, which states:

"A municipality, county, or other political subdivision of this state may not enact, adopt, or enforce a rule, ordinance, order, resolution, or other regulation that prohibits the processing of hemp or the manufacturing or sale of a consumable hemp product as authorized by this chapter."

Tex. Health and Safety Code § 443.003

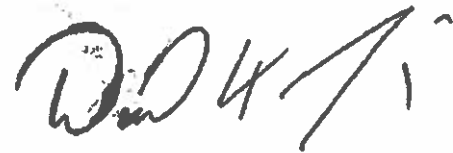
The practical effect of what the city is considering would be to divest these individuals of their livelihoods and their businesses in which they have invested a great deal of time and money in establishing and sustaining, some of them since the passage of the Farm Bill in 2018. Our clients, as I said, have been selling products that are legal under Texas and Federal law and abiding by the terms of the Texas hemp program.

What the City Council is proposing is tantamount to a regulatory taking and this is precisely why it is prohibited by Texas state law. I would welcome the opportunity to discuss this with you further. My senior associate or myself will be present for the Planning and Zoning meeting on Tuesday.

As I said, I would like to speak with you regarding this matter prior to the Tuesday meeting, if possible. However, I am committed to protecting the rights of my clients and the significant property interests implicated by the council's proposals. I sincerely hope that we can resolve this amicably.

You can reach me at 512-757-1570 or my associate, Tony Fusco, at 512-392-5010.

Sincerely,

A handwritten signature in black ink, appearing to read "D. K. Sergi".

David K. Sergi

Bar No. 18036000

david@sergilaw.com

Anthony J. Fusco

Bar No. 24065259

tony@sergilaw.com

SERGI & ASSOC., P.C.

329 S. Guadalupe

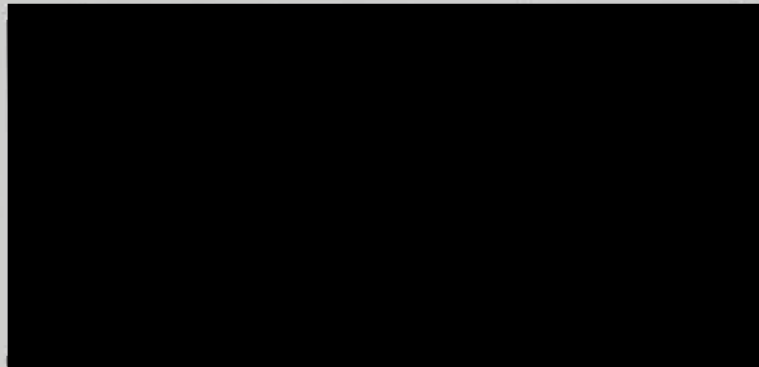
San Marcos, Texas 78666

Tel: 512-392-5010

Fax: 512-392-5042



August 16, 2024



RE: Allen Land Development Code – Proposed Amendment (ALDCA-000004-24)

To Whom It May Concern:

THE CITY OF ALLEN IS HOLDING A HEARING THAT WILL DETERMINE WHETHER YOU MAY LOSE THE RIGHT TO CONTINUE USING YOUR PROPERTY FOR ITS CURRENT USE. PLEASE READ THIS NOTICE CAREFULLY.

The Allen Planning & Zoning Commission will conduct a Public Hearing on September 3, 2024, at 7:00 p.m. in the Allen City Hall Council Chambers, 305 Century Parkway, Allen, Texas, to consider an ALDC Amendment described in this letter. The Planning & Zoning Commission forwards its recommendations for any Allen Land Development Code amendment to the City Council after conducting a public hearing. The City Council will conduct a Public Hearing on September 24, 2024, at 7:00 p.m. in the Allen City Hall Council Chambers, 305 Century Parkway, Allen, Texas, to consider an ALDC Amendment described in this letter.

The agendas for the above Planning and Zoning Commission and City Council meetings will be posted at <https://www.cityofallen.org/2303/City-Meeting-Agendas> on Friday, August 30, 2024 at 5:00 p.m., and Friday, September 20, 2024, at 5:00 p.m., respectively.

Summary of Proposed Amendment: The proposed amendment would provide a definition for a new “Smoke Shop” use; and would further provide regulations for separation, development, and operational standards for Smoke Shops in order to mitigate the negative impacts associated with the consumption of these products, with said regulations being necessary to serve the public health, safety, and welfare of residents and businesses within the City.

Please do not hesitate to contact the Community Development Department at 214.509.4160 if you have additional questions or need further clarification. Thank you.

Regards,

Marc Kurbansade, AICP
Director of Community Development

305 CENTURY PARKWAY • ALLEN, TEXAS 75013-8042 • 214.509.4100
WEB: www.cityofallen.org • EMAIL: coa@cityofallen.org



May 2, 2024

Via hand delivery and Cert. Mail, RRR

Re: *Notice of the sale of illegal tetrahydrocannabinol ("THC") products within the City of Allen and warning regarding the consequences for related violations of state and local law.*

Dear Sir or Madam:

This letter shall serve as notice that the Allen Police Department ("APD") has identified cannabidiol ("CBD") and vape establishments, similar to yours, within the City of Allen ("City") are selling illegal THC products, whether knowingly or unknowingly. As such, APD would like to advise you of such actions and possible consequences necessary due to violations of state law regarding the manufacture or delivery of a controlled substance in violation of Chapter 443 of the Texas Health and Safety Code ("Chapter 443") and the Texas Controlled Substance Act (the "Act"). See TEX. HEALTH AND SAFETY CODE § 481.001 et seq.

Through various investigations conducted within the City, it has become clear that certain CBD and vape establishments are selling various THC products in violation of the Act and Chapter 443. Products seized by APD being sold at establishments within the City have been laboratory tested for THC content. Such tests have identified that, at least, the following products have been sold with a THC content well above the limits prescribed in Chapter 443:

- Loose leaf "hemp" flower,
- Exclusive Hemp Farms wax,
- Sugar THCA wax,
- Toast'd Pre-Rolls
- Alien Pre-Roll,
- Exclusive Pre-Roll,
- Pure Luna Rocket Pre-Rolls, and
- Puro Exotics Pre-rolls.

Please be aware that these products, and potentially more, failed to comply with the requirements set forth regarding the production and regulation of hemp per Chapter 443. As such, these products are classified as a penalty group 2 controlled substance in violation of the Act. You are advised to ensure your establishment is in compliance with Chapter 443 and the Act. The sale of illegal products is not permitted under the Allen Land Development Code and the sale of illegal products is not permitted under your certificate of occupancy.

205 W. McDERMOTT ALLEN, TEXAS 75013
214.509.4200 • FAX: 214.509.4218
www.cityofallen.org





ALLEN POLICE DEPARTMENT MEMORANDUM

September 18, 2024

Via hand delivery and Cert. Mail RRR



Re: *Second notice of violation regarding the sale of illegal tetrahydrocannabinol ("THC") products within the City of Allen and warning of enforcement action for violations of state and local law.*

Dear Sir or Madam:

This letter shall again serve as official notice from the Allen Police Department ("APD") that the illegal sale of THC products, whether knowingly or unknowingly, by cannabidiol ("CBD") and vape establishments, similar to yours, within the City of Allen ("City") will result in any and all available criminal, civil, and administrative remedies being taken against you and your establishment. In previous notice by APD to you, dated May 2, 2024, you were made aware of such risks and potential violations of state law regarding the manufacture or delivery of a controlled substance in violation of Chapter 443 of the Texas Health and Safety Code ("Chapter 443") and the Texas Controlled Substance Act (the "Act"). See TEX. HEALTH AND SAFETY CODE § 481.001 et seq.

As previously noticed, APD investigations have revealed that there are CBD and vape establishments within the City selling THC products which do not comply with the THC content limitations set forth in Chapter 443. In some cases, these products are even being sold to minors; a severe risk to the health and safety of our community. The illegal products include, but are not limited to the following:

- Loose leaf "hemp" flower,
- Exclusive Hemp Farms wax,
- Sugar THCA wax,
- Toast'd Pre-Rolls
- Alien Pre-Roll,
- Exclusive Pre-Roll,
- Pure Luna Rocket Pre-Rolls, and
- Puro Exotics Pre-rolls.

Again, you are hereby notified that these products, and potentially others, have failed to comply with the requirements set forth regarding the production and regulation of hemp per Chapter 443. As such, these products are classified as a penalty group 2 controlled substance in violation of the Act. Failure to comply with Chapter 443 and the Act could result in criminal charges against you, your staff, and even your clientele for the manufacture, delivery, or possession of a controlled substance, as well as potential unintended health consequences. Additionally, your business could be put at risk via the revocation of your establishment's certificate of occupancy. It is advised you immediately comply or ensure compliance with Chapter 443 and the Act to prevent such enforcement remedies being taken.

APD will continue to take any and all enforcement action available to ensure compliance with the Act and Chapter 443. This includes the filing of criminal charges and the revocation of your certificate of occupancy by the City for violations of the Allen Land Development Code. It is your responsibility to ensure the products sold by your establishment comply with federal and state law.

Thank you for your continued attention to this matter. Should you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,

Steve Dye
Chief of Police